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**Date:** October 3, 2008  
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## **M E M O R A N D U M**

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**TO:** Tom Beech  
Bruce Carlson  
Kathy Cavanaugh

**CC:** David Thoms  
Douglas Varley

**FROM:** Rob Lehman

**DATE:** October 3, 2008 (Draft)

**RE:** Memorial Trust: Settled Agreement Option

### **I. Introduction**

In this memo, I present a vision of a “new edition” of the Fetzer Memorial Trust. It is an emerging vision presented for dialogue. It is not a brief for extending the term of the Trust, but simply a way of stimulating our collective imagination.

The memo compares the provisions of the Original Trust with what could become the Reformed Trust. I have not used the technical, legal language that would be required to implement this vision. I have reviewed this with David Thoms as counsel for the Trust and Douglas Varley as counsel for the Institute. Both would be involved in the legal steps necessary to implement this vision should the board of trustees decide to move in that direction.

### **II. Provisions**

#### **A. Trust Purpose & Founder’s Vision**

- **Original**

The Trust is created “for the benefit of the John E. Fetzer Institute, Inc.” (Art. II, Articles of Incorporation), in accordance with Article III, section 12 of the Trust instrument. This section of the Trust sets forth a variety of purposes all of which

are related to the primary purpose of transferring funds to the Fetzer Institute when the Trustees of the Trust deem appropriate.

While the purposes of the Trust are set forth, the reasons John Fetzer created the Trust, instead of conveying the corpus directly to the Institute, are not stated in the Trust. However, records of conversations with John Fetzer occurring contemporaneously with the creation of the Trust support the idea that its overarching rationale is to support and ensure, through difficult times, the long-term vision of the Fetzer Institute.<sup>1</sup>

- **Reformed**

Based on what has been learned over the past seventeen years, the Trust could be reformed to state its purpose and reason for existence as follows:  
(To-be-drafted)

## **B. Term<sup>2</sup>**

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<sup>1</sup> In a memo dated July 2, 1992, addressed to the Trust and Institute Boards, I recall several conversations John Fetzer had with me concerning his reasons for creating the Trust: “John believed that toward the end of the twenty-year period there would be a series of critical world events that would usher in the Age of the Archangel Michael; or as John described in less esoteric terms, the Age of Freedom of Spirit.”

<sup>2</sup> Again, there is no formal record of the reasons John Fetzer selected twenty-years as the term of the Trust, just as he did not discourage the Trust and the Institute from seeking a future extension of that term. We do know that John Fetzer’s inspiration for creating both the Institute and the Trust arose from his esoteric and spiritual understanding of history.

It is fascinating and more than mere coincidence that the twenty-year term points to two deeply symbolic periods of time that carry rich esoteric meaning:

John often referred to the spiritual traditions that hold the period 2011-12 as a key time when the world would be confronted with world changing challenges, and the Institute’s vision would be critically important. Without knowing that he would die in the year 1991, the twenty-year term coincides exactly with the beginning of this period.

The twenty years also corresponds to the deeply symbolic seven-year cycles in human development. These seven-year cycles are found in ancient Chinese and Greek medical practices as the rhythm of the developing human (in our case the developing organization):

In western esotericism, the first seven years of life are for building a strong physical body (existence when applied to an organization). The second seven years (7-14) are for building strong life forces. The third seven years (14-21) are for the formation of a receptive soul, into which Spirit can enter. The fourth seven year cycle (21-28) is the period when the true Spirit of an organization becomes deeply rooted.

As the initial twenty-year term of the Trust nears its completion, the Institute will be completing its third seven-year cycle since John’s death, a time when it will be crossing the threshold from youth to adulthood. At this time, the Institute will be entering the fourth seven-year cycle, when its true and lasting identity will be established.

- **Original**

The Trust is to exist for twenty years after the death of John E. Fetzer, unless the trustees distribute the corpus prior to that time.

- **Reformed**

1. There are a variety of options ranging from termination upon the occurrence of an event (e.g. until the last original trustee dies) to a fixed number of years (e.g. 5 years, 10, etc.)
2. I'd suggest a fixed number of years that can be renewed by joint agreement of both boards; e.g., the term of the Trust be extended for a seven-year period, with the option that the Institute and the Trust could jointly agree to extend the term for additional periods, without court approval.

### **C. Trustees**

- **Original**

1. The Trustees of the Trust are limited to five. The Trust provides that the "Original Trustees" will be Thomas Beaver, Bruce Fetzer, Michael Gergely, Louis Leeburg, and Robert Lehman. Lehman and Gergely are named Chairman and Legal Advisor, respectively.
2. Trustees serve for the term of the Trust, or until resignation, incapacitation, or death. Only the court can appoint successor trustees.
3. Trustees are entitled to reasonable compensation.

- **Reformed**

1. Number of Trustees would be set at a minimum of five and maximum of nine.
2. Provide for vacancies on the Trust board to be filled by the Board of Trustees of the Trust from candidates nominated by the Institute.
3. A majority of Trustees will be non-Institute Trustees with a minority being shared Trustees with the Institute.
4. For example, two trustees could be added immediately to the Original Trust: One additional trustee from the Institute and one non-Institute trustee (preferably this latter would be a Trustee Emeritus of the Institute). Thus,

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This period from 21-28 years will be a most critical period for the long-term vision of the Institute and a time when the reason for which the Trust was created will be of highest importance.

there would be seven trustees; three of whom would also be trustees of the Institute, and all of whom would have deep knowledge and commitment to John Fetzter's vision of the Institute. Eventually, two more Trustees could be added on the same basis, bringing the total to nine.

5. Provide a standard provision for election and terms of officers.
6. Provide a standard Trustee removal provision by which the Board of Trustees of the Trust may vote to remove a Trustee.
7. Trustee and officer compensation would be reviewed and set through the same process established for compensation review of the Institute's trustees and officers.

#### **D. Beneficiary**

- **Original**

1. The original Trust empowers the trustees of the Trust to transfer funds to the Institute at such times that, in its sole discretion, it deems appropriate. Upon termination of the Trust, all remaining funds are conveyed to the Institute.
2. In 1992, as part of the Constitution for Collaboration, the Institute and the Trust clarified the above provision by agreeing that (1) the Institute is the sole beneficiary of the Trust, (2) the Trust will not unilaterally impose restrictions, other than those of a fiduciary character, on the use of funds distributed to the Institute, and (3) that the Trust will not engage directly with others in program activities without the consent of the Institute.

- **Reformed**

1. The clarifications and values agreed to in the 1992 Constitution for Collaboration will be continued either as part of the reformed Trust or in a collateral agreement.
2. The Trust Board will serve as a vehicle for collaboration between the Trust and the Institute for the common purpose of advancing the vision of John Fetzter and carrying out the mutual responsibilities of the two organizations.

#### **E. Program**

1. **Original**

1. To keep the memory and vision of John Fetzter alive in the world and work of the Fetzter Institute.

2. To explore the spiritual philosophy of John Fetzer and his vision of the Age of Freedom of Spirit.
3. To provide a complementary culture for the exploration pioneering research in esoteric and scientific subjects that are not ready for mainstream oriented culture of the Institute.
4. To provide a vehicle for the Fetzer Institute to make grants that would be technically or financially disadvantageous for the Institute to make directly.

## 2. Reformed

1. The work to ensure the memory and legacy of John Fetzer would be continued in close collaboration with the Institute by the Joint Legacy Committee.
2. The Trust would continue to be a vehicle for making grants on behalf of the Institute when needed.
3. The Fetzer Franklin Fund would be expanded in scope to include research on esoteric spirituality as well as pioneering, esoteric science.<sup>3</sup>
4. The Fetzer Franklin Fund could continue to be part of the Memorial Trust, or it could become a separate organization controlled either by the Trust or the Institute.
  - a. For example, the Fetzer Franklin Fund could continue to be funded directly by the Trust, but established as a separate 501 (c) (3) organization with a small board, the majority of which would be Institute trustees or officers. Although under separate leadership (Paul Gailey & Bruce Fetzer), the Fetzer Franklin Fund would be closely coordinated with the Institute's program and serviced by the Institute's administrative and accounting staff.

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<sup>3</sup> There are many interests of John Fetzer that are not ready for mainstream research (difficult to undertake with the Institute's program), that could be undertaken *eventually(!)* through an expanded Fetzer Franklin Fund. For example, the following are areas of special interest to John Fetzer: Out-of-body experiences; reincarnation; psychic abilities such as channeling, remote view, psycho-kinesis; energy healing; Qi Gong; aura balancing; UFOs, alien presence, alien abduction, esoteric societies such as Rosicrucians, Knights Templar, Coptics, Theosophy, Anthroposophy; esoteric teaching such as the *Tarot*, *A Course in Miracles*, *The Aquarian Gospel of Jesus Christ*; and research on the Age of the Archangel Michael and the Sophia traditions.

- b. Under either option, the Fetzer Franklin Fund would provide a complementary culture and incubator for esoteric science and spirituality.
5. A Council of Elders would be created (modeled after the Lindisfarne Fellows) to meet annually to explore an imagination of the Age of Freedom of Spirit (Age of the Archangel Michael). I add this as an example because of my special interest in John Fetzer's passion for this esoteric theme.

## **F. Economic**

### **3. Original**

1. The Trust manages its endowment separately, but in close cooperation, with the Institute.
2. The Trust's endowment is focused on the long-term growth through a higher weighting of equities.
3. The grants the Trust makes to the Institute (as a non-controlled, private operating foundation) have a substantial compounding effect on the Institute's endowment.
4. The Trust pays a lower average excise tax than the Institute, therefore saving taxes.

### **4. Reformed**

All of the above economic advantages could be continued under the Reformed Trust.